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**Ofgem**

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8<sup>th</sup> May 2025

**Ocean Winds' response to Ofgem's Consultation on the ASTI ODI Penalty  
Exemption Period request for Eastern Green-link 1 – EGL1**

Ocean Winds, a 50-50 joint venture between EDP Renewables and ENGIE, is one of the UK's largest offshore wind developers, with a portfolio of over 6GW of operational and development projects in Scotland. In the Moray Firth, Ocean Winds has been operating our 950MW Moray East project since 2021 and finished commissioning our 882MW Moray West project in April 2025, making Ocean Winds the largest offshore wind generator in Scotland. Our project development portfolio includes the neighbouring 2GW Caledonia project, which submitted consent applications in late 2024, and the 2.3GW Arven project, a floating offshore wind farm east of Shetland, developed in 50-50 partnership with Mainstream Renewable Power.

With extensive experience in designing, constructing, and operating complex offshore wind developments in Scotland, Ocean Winds understands the critical role of timely grid infrastructure delivery. The scale of transmission upgrades required to meet the UK Government's clean power by 2030 targets is unprecedented. Delays, especially to strategically important projects identified under the Accelerated Strategic Transmission Investment (ASTI) framework, risk significant knock-on effects across the energy system.

From firsthand experience, we know that grid connection delays can impose considerable financial strain on offshore wind projects. The UK remains one of the only mature energy markets without a contractual framework for risk-sharing in the event of connection delays. Developers shoulder all associated costs, including construction delays, revenue losses, and transmission charges—despite having no control over transmission delivery timelines. This imbalance creates risks which must be accounted for through risk margins and ultimately leads to inflated consumer costs through higher Contract for Difference (CfD) bids. While we recognise that introducing risk-sharing mechanisms falls outside the scope of this consultation, we urge Ofgem to consider this structural issue in future policy development.

In the context of this consultation, Ocean Winds supports Ofgem's proposal to reject the penalty exemption request for EGL1. The ASTI framework is explicitly designed to ensure the timely delivery of critical transmission infrastructure, and the success of both generation and enabling works projects depends on adherence to agreed timelines. While we acknowledge the complexity of supply chain logistics in major infrastructure

projects, these challenges must be anticipated and managed proactively to avoid undermining the UK's clean energy transition.

Please find our response to the consultation questions below. We welcome continued engagement with Ofgem on this topic and remain committed to working collaboratively to ensure the success of ASTI and the broader delivery of net zero infrastructure.

Sincerely,

**Adam Morrison**

*UK Country Manager*

Ocean Winds

## **Consultation Questions**

### **Q1. Do you have any views, or additional information (including in support, or opposition) relating to the JV's EGL1 PEP application?**

Ocean Winds opposes the granting of a Penalty Exemption Period (PEP) for Eastern Green Link 1 (EGL1), and we support Ofgem's provisional view to reject the application.

The Accelerated Strategic Transmission Investment (ASTI) framework was specifically designed to fast-track delivery of the transmission infrastructure required to enable the UK's offshore wind and wider net zero targets. ASTI was introduced with the understanding that these projects are uniquely critical and must be delivered on compressed timelines to meet the Government's Clean Power by 2030 (CP2030) goals. These projects were selected on the basis of their national importance, and they have been granted exceptional regulatory treatment—including early delivery incentives and anticipatory investment allowances—on the condition that timely delivery is achieved.

Allowing penalty exemptions in circumstances where delays arise from foreseeable risks, such as well-documented global supply chain challenges, undermines the credibility and effectiveness of the ASTI framework. Developers across the sector are operating under similar pressures. The expectation under ASTI is not that challenges will be absent, but that projects will be managed in a way that ensures delivery regardless of complexity. This includes forward-planning, supplier engagement, risk mitigation, and clear accountability.

From a developer perspective, delays to key transmission projects like EGL1 have significant knock-on effects on generation project timelines, investment cases, and Contract for Difference (CfD) delivery obligations. Offshore wind projects are increasingly dependent on coordinated grid connections, and unexpected changes in delivery schedules—particularly those exempt from accountability—erode investor confidence and introduce cost uncertainty. These costs ultimately filter down to consumers.

In our view, granting a penalty exemption in this case would weaken the accountability mechanisms ASTI was built upon and send the wrong signal to the market about the importance of disciplined and timely project execution.

### **Q2. Do you agree with our assessment of the EGL1 PEP application?**

Yes, Ocean Winds agrees with Ofgem's assessment of the EGL1 PEP application.

We support Ofgem's view that the criteria for a PEP have not been met. The ASTI framework makes clear that exemptions should only be granted where delays are genuinely unforeseeable and beyond the reasonable control of the party in question. Based on the information provided, the causes of delay—including procurement challenges—were foreseeable within the context of ongoing global supply chain volatility, which has been well understood across the energy sector since at least 2021.

The regulatory contract underpinning ASTI is clear: in exchange for accelerated funding and streamlined approvals, transmission owners are expected to deliver to tight schedules with robust risk management. Deviations from this model must be carefully justified and exceptional in nature. Ofgem's assessment reflects an appropriate application of this principle and reinforces the integrity of the ASTI framework.

Maintaining confidence in ASTI requires that timelines and incentives are meaningful and enforceable. Upholding delivery expectations under ASTI also supports better coordination with generation developers, helping to unlock the capacity necessary to achieve the UK's 2030 offshore wind targets. As such, we commend Ofgem for its clear and principled assessment.